

**CALIFORNIA ENERGY COMMISSION**

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



Implementation of Renewables	)	Docket No. 02-REN-1038
Investment Plan Legislation	)	Renewable Energy Program
and	)	
Implementation of Renewables	)	Docket No. 03-RPS-1078
Portfolio Standard Legislation	)	RPS Proceeding

**NOTICE OF STAFF WORKSHOP ON  
2007 RENEWABLES PORTFOLIO STANDARD PROCUREMENT  
VERIFICATION DATA REVIEW**

The Energy Commission staff will hold a workshop to review 2007 Renewables Portfolio Standard (RPS) procurement verification data. This work is overseen by the Energy Commission's Renewables Committee, Vice Chair James Boyd, Presiding Member. Commissioners from the Energy Commission may attend and participate. The workshop will be held:

**MONDAY, JANUARY 31, 2011**  
Beginning at 10:00 a.m. to 12:00 p.m.  
**CALIFORNIA ENERGY COMMISSION**  
1516 Ninth Street  
First Floor, Hearing Room A  
Sacramento, California  
(Wheelchair Accessible)

**Remote Attendance and Availability of Documents**

**Internet Webcast** - Presentations and audio from the meeting will be broadcast via our WebEx web meeting service. For details on how to participate via WebEx, please see the "Remote Attendance" section toward the end of this notice.

**Purpose**

The Energy Commission's Renewable Energy Office prepares the *Renewables Portfolio Standard Procurement Verification Report (Verification Report)* to report on the amount

of RPS-eligible renewable energy procured annually by electricity retail sellers towards meeting California's RPS procurement requirements. Although it is not legislatively mandated, the *Verification Report* is prepared as part of the Energy Commission's responsibilities under the RPS. After the workshop, staff intends to make any needed revisions to its RPS procurement data analysis and report the results in a draft report, the *2007 RPS Procurement Verification Report (2007 Verification Report)*. After the draft report is prepared, it will be made available for public comment and will be considered for adoption by the Energy Commission. Once the *2007 Verification Report* is adopted by the Energy Commission, the report is transmitted to the California Public Utilities Commission (CPUC) for its use in applying flexible compliance rules and determining if retail sellers are in compliance with RPS procurement requirements.

The workshop will include a high-level summary of the individual retail sellers' RPS procurement claims. Attachment A provides background information regarding outstanding 2007 RPS procurement claims. Staff invites parties to submit comments in writing and orally during the workshop.

## **Background**

In 2002, the RPS was initiated under Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) and required retail sellers of electricity to increase the amount of renewable energy they procure annually until 20 percent of their retail sales was from renewable electricity generation by December 31, 2017. In 2006, Senate Bill 107 (Simitian, Chapter 464, Statutes of 2006) accelerated and codified the 20 percent RPS goal to 2010. The following year, Senate Bill 1036 (Perata, Chapter 685, Statutes of 2007) amended portions of the law relating to RPS and revised the Energy Commission's roles. On November 17, 2008, Governor Arnold Schwarzenegger signed Executive Order S-14-08 requiring that California utilities reach the 33 percent renewables goal by 2020. The California Air Resources Board adopted regulations in September, 2010 to implement a Renewable Electricity Standard pursuant to Executive Order S-14-08.

Under the RPS, the Energy Commission is charged with certifying eligible renewable energy resources that satisfy RPS procurement requirements, and developing an accounting system to verify retail sellers' compliance with the California RPS. In accordance with the Energy Commission's *RPS Eligibility Guidebook*, the large investor-owned utilities, energy service providers, small and multi-jurisdictional utilities, and community choice aggregators were required to submit 2007 retail sales data and procurement information to the Energy Commission on the CEC-RPS-Track form by May 1, 2008. Generation data from renewable generators and various public sources are used to verify that total procurement claims do not exceed actual generation.<sup>1</sup>

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<sup>1</sup> The Energy Commission is transitioning RPS procurement reporting from the Interim Tracking System to the Western Renewable Energy Generation Information System (WREGIS) for future compliance years. The year 2008 will include RPS procurement data reported using a combination of the CEC-RPS-Track forms and WREGIS compliance forms.

To date, the Energy Commission has published *Verification Reports* for compliance years 2004, 2005, and 2006. The scope of the 2007 *Verification Report* will include procurement from the following entities: Pacific Gas & Electric Company (PG&E); San Diego Gas & Electric Company (SDG&E); Southern California Edison Company (SCE); 3Phases Energy Services; APS Energy Services; Calpine Power America; Commerce Energy, Inc.; Constellation NewEnergy, Inc.; Coral Power, LLC; Pilot Power Group, Inc; Semptra Energy Solution; Strategic Energy LLC; Pacific Power / PacifiCorp and Sierra Pacific Power Company.

There are two claims that staff has determined to be ineligible: SCE's procurement claims associated with the Mountain View Wind facilities because they are energy-only claims and do not include the environmental attributes or renewable energy credits; and a portion of SCE's procurement claim associated with the Colmac Energy Mecca Biomass Facility because the facility exceeded its 2007 annual fossil fuel de minimus amount and, therefore, only the renewable energy amount is considered RPS eligible. Background information concerning these topics is found in Attachment A.

## **Written Comments**

Interested members of the public are encouraged to review and comment on the background material in Attachment A. Members of the public may submit written or verbal comments in advance of or at the workshop on January 31, 2011. Please include your name or organization's in the name of the file and also include the docket numbers 02-REN-1038 and 03-RPS-1078. Please also indicate '2007 RPS Verification' in the subject line or first paragraph of your comments. Written comments submitted after the workshop must be submitted by 5:00 p.m., February 10, 2011.

The Energy Commission encourages comments by e-mail. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) and submit them to [docket@energy.state.ca.us]. **One paper copy must** also be sent to the Energy Commission's Docket Unit.

Those submitting written comments should provide original and 10 copies to the Energy Commission's Docket Unit. Written materials filed with the Docket Unit or provided at the workshop become part of the public record. Please hand deliver or mail an original copy to:

California Energy Commission  
**Re: Docket No. 02-REN-1038  
and Docket No. 03-RPS-1078**  
Docket Unit, MS-45  
1516 Ninth Street  
Sacramento, CA 95814-5504

## **Public Participation**

Members of the public who would like information on how to participate in the workshop may contact the Public Adviser's Office by phone at (916) 654-4489 or toll free at (800) 822-6228, FAX at (916) 654-4493, or e-mail at [\[publicadviser@energy.state.ca.us\]](mailto:publicadviser@energy.state.ca.us). If you have a disability and need assistance to participate in the workshops, please contact Lou Quiroz at (916) 654-5146 at least five days before the workshop.

Members of the public who have news media inquiries should contact the Media and Public Communications Office at (916) 654-4989, or by e-mail at [\[mediaoffice@energy.state.ca.us\]](mailto:mediaoffice@energy.state.ca.us). If you have technical questions regarding this notice, please contact Gina Barkalow, RPS Procurement Verification Project Manager of the Renewable Energy Office, by phone at (916) 654-4057 or by e-mail at [\[gbarkalo@energy.state.ca.us\]](mailto:gbarkalo@energy.state.ca.us).

## **Remote Attendance**

You can participate in this meeting through WebEx, the Energy Commission's online meeting service. Presentations will appear on your computer screen, and you listen to the audio via your telephone. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

### **Computer Log-on with Telephone Audio:**

1. Please to <https://energy.webex.com/> and enter the unique meeting number: 920 909 400
2. When prompted, enter your name other information as directed and the meeting password: meeting@10

### **Teleconference:**

After logging in on the computer, an AUDIO CONFERENCE BOX will offer you the choice of phone connections:

1. TO HAVE WEBEX CALL YOU BACK: Type your area code and phone number and click "Call Me".
2. TO CALL INTO THE TELECONFERENCE: Use the drop-down box to select "I will call in" and follow the on-screen directions.
3. INTERNATIONAL CALLERS: Click on the "Global call-in number" link in part (2) above
4. TO LISTEN OVER THE COMPUTER: If you have the needed equipment and your computer is configured, click on "Use Computer Headset" and then "Call Using Computer" to use VoIP (Internet phone)

TELEPHONE ONLY (NO COMPUTER ACCESS): Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number: 920 909 400. International callers can select their number from <https://energy.webex.com/energy/globalcallin.php>

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. To see if your computer is compatible, visit <http://support.webex.com/support/system-requirements.html>. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

Mass Mail Lists: 5507, 5501, 5503, 5504  
Date Mailed: January 19, 2011

## Attachment A

### Background Information Regarding Outstanding 2007 Renewables Portfolio Standard Procurement Claims

1) SCE claimed Mountain View wind procurement in previous RPS compliance years and this procurement was discussed at a 2009 public workshop in support of the *2006 Verification Report* and in detail in the *2006 Verification Report*. SCE is managing a DWR contract for which the renewable attributes (also known as RECs) were specifically allocated to the facility owners, and these renewable attributes were then sold by the facility owners to other entities on the voluntary REC market. After much consideration, the Energy Commission determined that SCE is not able to claim procurement from the Mountain View wind facilities associated with the DWR contract as RPS-eligible.

Page 3 of the Energy Commission's *RPS Eligibility Guidebook*<sup>1</sup> states, "RECs and energy procured together as a bundled commodity are eligible for the California RPS." For the same reasons described in the *2006 Verification Report*,<sup>2</sup> staff has determined SCE's 2007 Mountain View procurement claims ineligible for the RPS.

2) SCE claimed 100 percent of the 2007 generation associated with the Colmac Energy Mecca Biomass Facility (Colmac) even though only 86.5 percent of this generation was eligible for the RPS. The remaining 13.5 percent of the generation was attributable to the use of fossil fuel and ineligible for the RPS in accordance with the *RPS Eligibility Guidebook*. The *RPS Eligibility Guidebook* states that: "The generation from a biomass facility is eligible for the RPS provided the facility uses a "biomass" fuel as defined in the *Overall Program Guidebook*. In addition, if the facility is seeking RPS eligibility and funding under the Existing Renewable Facilities Program (ERFP), its biomass fuel must be limited to the biomass fuels specified..."<sup>3</sup> Additionally, its annual fossil fuel use must not exceed a de minimus amount. "*De minimus* for purposes of existing facilities seeking RPS eligibility and funding under the Energy Commission's Existing Renewable Facilities Program is 5 percent of all fuels used and measured on an annual energy input basis."<sup>4</sup> The *RPS Eligibility Guidebook* also states that, "If the annual fossil fuel

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<sup>1</sup> California Energy Commission, *Renewables Portfolio Standard Eligibility Guidebook*, Second Edition. March 2007, page 3. <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>

<sup>2</sup> California Energy Commission, *Renewables Portfolio Standard 2006 Procurement Verification Report*. Appendix A: IOU Procurement From Facilities Under Contract With the Department of Water Resources for California's RPS Program <http://www.energy.ca.gov/2009publications/CEC-300-2009-006/CEC-300-2009-006-CMF.PDF>

<sup>3</sup> California Energy Commission, *Renewables Portfolio Standard Eligibility Guidebook*, Second Edition. March 2007, page 12. <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>

<sup>4</sup> *Ibid*, page 21. <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>

use at the facility exceeds a *de minimus* amount, then only the renewable portion of the electricity production can qualify for the RPS....”<sup>5</sup>

Because Colmac exceeded the 5 percent de minimus fossil fuel limit in 2007, its ERFP payments were reduced by the amount of fossil fuel used – 13.5 percent. This payment reduction was supported by the former Renewables Committee, which determined that Colmac should only receive ERFP funding for the renewable portion of its generation. Consistent with this prior Renewables Committee determination, staff has determined that SCE may only claim the amount of generation for the RPS that is attributable to the renewable portion of Colmac’s electricity production. Staff has, therefore, subtracted the 13.5 percent associated with Colmac’s annual fossil fuel use for 2007 such that only 86.5 percent is RPS eligible.

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<sup>5</sup> Ibid. page 21. <http://www.energy.ca.gov/2007publications/CEC-300-2007-006/CEC-300-2007-006-CMF.PDF>